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Kate Brown, Governor

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June 11, 2018

The Honorable Governor Kate Brown
254 State Capitol
Salem, OR 97301

RE: Oregon Health Authority Bi-Weekly Update on Ongoing and Emerging Issues

Dear Governor Brown:

This letter is the Oregon Health Authority's (OHA's) June 11th issue update. This update includes an update on the resolution of one previously documented issue. Beginning with this issue update, we will move to a monthly issue update schedule.

OHA's Issue Resolution Leadership Team and the Issue Resolution Project Team continue to meet to solidify the processes and management tools used to address and identify issues. We are also continuing ongoing research and analysis into previously documented issues and documenting new issues.

Updates on Previously Documented Issues

Nursing Facility Coinsurance and Post-Acute Care Claims

As previously documented, OHA identified errors related to coinsurance payments for nursing facilities and post-acute care, which impacted the Department of Human Services (DHS) Aging and People with Disabilities (APD) budget, rather than the OHA Health Systems Division (HSD) budget, since 2016 as an unexpected result of a system change. Manual budget adjustments were made until the system coding corrections could be implemented. No federal funds were claimed incorrectly.

Coding changes to correct the issue were implemented in December 2017, and subsequent payment cycles have been monitored to confirm that no further claims payment issues have occurred.

OHA reprocessed \$6.1M (total funds) in claims to impact OHA's HSD budget and reverse the impact on DHS's APD budget for the 2017-19 biennium. OHA and DHS agreed not to reprocess an additional \$10.3 million (total funds) in claims from the 2015-17 biennium, since federal funds were appropriately claimed and both the OHA and DHS budgets for this period have been reconciled and closed. With the coding change having been verified and claims for the current biennium reprocessed, resolution of this issue is complete. Financial, budgetary, and programmatic documentation related to this issue is being archived to prevent recurrence.

Please don't hesitate to contact me with any questions you may have.

Sincerely,

Patrick M. Allen
Director

CC: Fariborz Pakseresht, Director, DHS